

# DAILY MARKET REVIEW

4 May, Thursday

2017



ROSSETI



IDGC OF CENTRE

## REVIEW OF STOCK MARKETS

Before the opening of trading on Wednesday 03 May some moderately negative external background formed on the Russian market. On Tuesday the US indices DJIA and S&P500 added 0.1-0.2% after shares of technology companies. As noted by Reuters, the S&P500 index is approaching record highs as the corporate reporting season continues, which for the most part exceeds market expectations. However, investors are cautious in the run-up to the Fed meeting – none of experts expect an increase in the rate, while market participants expect to get more clarity regarding plans to tighten the monetary policy and reduce the balance of \$4.5 trillion. On Wednesday the main country indices of the Asia-Pacific region in the absence of Japan being on holidays in connection with the celebration of the Constitution Day showed predominantly negative trends. The leaders of the decline, wrote MarketWatch, were shares of banks due to weak financial statements for the first quarter. July Brent futures traded near the mark of \$50.9 per barrel, \$0.4 below the closing level on 02 May. Quotes were helped to stabilize above the level of support at \$50 per barrel by the data of the American Petroleum Institute, indicating a reduction in oil and gasoline reserves in the US more than analysts expected. Additional support for oil prices was provided by media reports that Russia considers it expedient to extend the agreement on limiting production for at least six months.

The MICEX Index spent the trading session on Wednesday on average with more than a percent minus, at daily lows the indicator's fall exceeded 1.5%. The Russian market was mainly pressured by media reports that Rosneft and Bashneft filed a lawsuit against AFK Sistema for 106.6 billion rubles – this amount of the withdrawal of assets from Bashneft during the period when it was owned by AFK Sistema was assessed by the plaintiffs. Against this background, the main contribution to the loss of the MICEX Index was made by shares of Lukoil, which was associated with long-standing partnerships with Bashneft, shares of AFK Sistema itself and MTS shares, the main asset of AFK Sistema. In general, noted in Alfa Capital, this situation may not be very favourable for foreign investors' attitude to the Russian risk.

During the trading session the changes of the MicexPWR Sector Index in general corresponded to the MICEX Index. The main contribution to the final decline in the sector indicator was made by shares of Inter RAO and RusHydro. Shares of Rosseti were worse than the market and the MicexPWR Sector Index, which were pressured by the statement of Deputy Energy Minister V. Kravchenko that it would be difficult for Rosseti to pay dividends at 50% of IFRS net profit. Deputy Minister noted that there are no directives of the government on Rosseti's dividends yet, but there is an indication that companies with state participation should allocate at least 50% of IFRS profit for dividends. At the same time, Deputy Prime Minister A. Dvorkovich said on Wednesday that exceptions to this requirement are possible, while each should be "seriously" justified.

## ELECTRIC POWER INDUSTRY NEWS

### Ministry of Energy this week to discuss with heads of energy and grid companies the amount of dividends for 2016.

The Ministry of Energy plans to meet with heads of energy and grid companies in the next few days and discuss the government's instruction to allocate at least 50% of IFRS net profit for dividends. This was reported to journalists by Deputy Minister of Energy Vyacheslav Kravchenko.

Read full text: <http://www.finanz.ru/novosti/aktsii/minenergo-na-etoy-nedele-obsudit-s-glavami-energo-i-setevykh-kompaniy-razmer-dividendov-za-2016-q-1001973811>

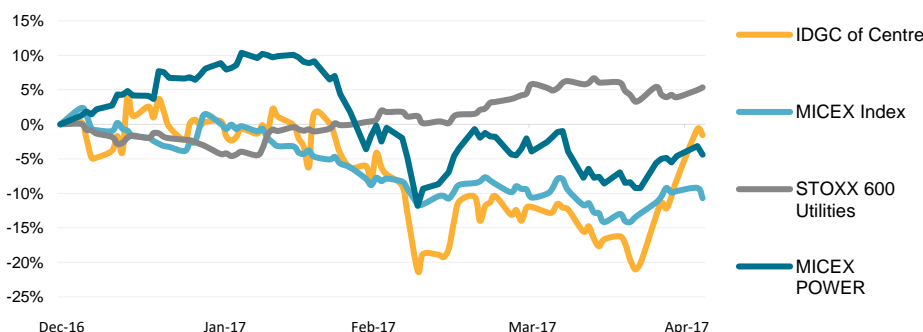
## COMPANY NEWS

### Smolenskenergo urges debtors to observe payment discipline

Specialists of IDGC of Centre – Smolenskenergo division continue work on increasing the payment discipline of consumers for transmitted electricity and collecting overdue accounts receivable.

Read full text: <https://www.mrsk-1.ru/press-center/news/branches/59890/>

## DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



World indexes	Value	Change	
		per day	fr 31.12.16
MICEX	1 993,66	-1,64%	-10,71%
S&P 500	2 388,13	-0,13%	6,67%
FTSE 100	7 234,53	-0,21%	1,28%
DAX	12 527,84	0,16%	9,12%
DJStoxx 600	389,37	-0,04%	7,73%
STOXX Utilities	291,59	0,35%	5,35%
Nikkei	19 445,70	0,00%	1,73%
Sensex	29 894,80	-0,09%	12,27%
CSI300	3 413,13	-0,39%	3,11%
Bovespa	66 093,78	-0,94%	9,74%

Source: Bloomberg, Company calculations

Currency rates	Value	Change	
		per day	fr 31.12.16
Euro/USD	1,09	0,10%	3,80%
USD/RUB	56,95	-0,06%	-6,11%
Euro/RUB	62,15	0,17%	-2,60%

Source: Bloomberg, Company calculations

Raw	Value	Change	
		per day	fr 31.12.16
Gold, USD/oz	1 238,17	-1,48%	7,90%
Brent*, USD/bbl	50,79	0,65%	-13,48%

\* - July futures

Source: Bloomberg, Company calculations

Shares of IDGC of Centre	Value
Last transaction, RUB	0,4400
Capitalisation**, billion RUB	18,58
Capitalisation**, million USD	326,17

Source: Central Bank of Russia, Company calculations

Russian indexes	Change	
	per day	fr 31.12.16
MICEX-Power Index	-1,33%	-4,41%
Shares of IDGC of Centre**	-0,90%	-1,57%

Source: Bloomberg, Company calculations

Grid companies	Change**	
	per day	fr 31.12.16
Rosseti, ordinary shares	-2,37%	-18,08%
FGC UES	-0,23%	-4,04%
IDGC of Volga	-1,33%	19,11%
MOESK	-2,00%	9,02%
IDGC of Northern Caucasus	3,53%	-20,18%
IDGC of Centre and Volga Reg	4,27%	18,92%
IDGC of North-West	-0,88%	-18,55%
IDGC of Urals	-0,33%	-8,81%
IDGC of Siberia	-0,54%	-12,31%
IDGC of South	0,59%	-34,73%
Lenenergo, ordinary shares	-2,64%	-6,27%
TRK, ordinary shares	-3,61%	-15,76%
Kubanenergo	-2,32%	-8,05%

Source: MOEX, Company calculations

\*\* - at the price of last transaction at MOEX

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### Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

MRKC

MRKC:RM

MRKC:MM